

For Immediate Release

Press Release

China Resources Beer Enters into Agreements with CR Land

[Hong Kong, 22 January 2021] **China Resources Beer (Holdings) Company Limited** (the “Company”, or together with its subsidiaries, the “Group”; stock code under The Stock Exchange of Hong Kong Limited: 00291) announced today the Company will, through its wholly-owned subsidiaries, enter into the joint venture (“JV”) Agreement, the Relocation Compensation Agreement and the Construction Agreement with the wholly-owned subsidiaries of China Resources Land Limited (“CR Land”, stock code under The Stock Exchange of Hong Kong Limited: 01109) to develop the land (the “Land”) owned by China Resources Snow Breweries (China) Co., Ltd. (華潤雪花啤酒(中國)有限公司) (“CR Snow”) in Baoan District, Shenzhen.

After the execution of the JV Agreement, the wholly-owned subsidiaries of the Company and CR Land will contribute RMB500 million respectively to form the JV. Once the Land has been modified to general industrial and emerging industrial uses, CR Snow, the wholly-owned subsidiary of the Company, will be granted part of the Land (the “Snow Brewery Land”) while the JV will be granted another part of the Land (the “JV Land”). The JV will be responsible for the development and construction of the JV Land as a complex consisting of offices, factories, recreational facilities, supermarkets, restaurants, and bars etc.

According to the Relocation Compensation Agreement, the JV will pay the preliminary amount of compensation of RMB4.65 billion. The compensation will be further adjusted based on the total revenue (tax inclusive) generated after the redevelopment. It is expected that the Company will realize an initial after-tax gain of approximately RMB1.32 billion from the transfer of the JV Land. The preliminary compensation will be used for the operations of the Company and general corporate purposes.

Pursuant to the Construction Agreement, CR Snow will appoint another wholly-owned subsidiary of CR Land as the project manager on behalf of the Company in relation to the construction and development of the Snow Brewery Land (excluding the craft brewery) (the “Project”). The Project consists of the construction of the CR Snow’s headquarter, research and development (“R&D”) centre, and employees’ dormitories, as well as the construction of the beer museum. The Company estimated that the service fees would amount to approximately RMB60 million. The

actual service fees to be paid by the Company would be based on the actual amount of the total construction costs but such service fees should not exceed RMB100 million.

The above agreements shall take effect upon obtaining Independent Shareholders' approval at the extraordinary general meeting.

Mr. Hou Xiaohai, Chief Executive Officer of the Company, said, "Such transformation is a 'milestone' for the Company with historical significance. As a leading fast-moving consumer goods company, the Company wishes to establish an iconic and internationally recognized headquarter and a R&D centre on the original site of brewery factory. The Land will be transformed as a complex featuring the promotion of beer brewing, beer culture, wine tasting, vibrant district, industrial supporting facilities, etc., as well as promotion of 'Night Economy'."

Mr. Jian Yi, Executive Director of the Company, said, "Through the formation of the JV with CR Land and its subsidiaries, it creates the synergy of the Group and CR Land Group, where the Group could contribute its extensive knowledge and experience in beer industry whilst CR Land Group could contribute its extensive experience in real estate and property development. The development of the Land can achieve mutual benefit and win-win situation, and explore new forms of life consumption pattern."

About China Resources Beer (Holdings) Company Limited

Listed on The Stock Exchange of Hong Kong Limited, the Company focuses on the manufacturing, sales and distribution of beer products.

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The relevant details are published on the websites of Hong Kong Exchanges and Clearing Limited www.hkexnews.hk and the Company www.crbeer.com.hk.